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*First supplement dated 6 February 2023*

*to the Information Memorandum dated 28 June 2022*



## **Action Logement Services**

**(a French simplified joint stock company)**

# **Sustainable Euro Medium Term Note Programme of EUR 6,200,000,000**

This supplement (the “**Supplement**”) constitutes a first supplement and must be read and construed in conjunction with the information memorandum dated 28 June 2022 (the “**Information Memorandum**”), prepared by Action Logement Services SAS (the “**Issuer**” or “**Action Logement Services**”) in connection with its EUR 6,200,000,000 Sustainable Euro Medium Term Note Programme (the “**Notes**”). Terms defined in the Information Memorandum have the same meaning when used in this Supplement.

This Supplement and the Information Memorandum have been approved by (i) the Luxembourg Stock Exchange in its capacity as operator of the Euro MTF market (the “**Euro MTF Market**”) and (ii) Euronext Paris in its capacity as operator of the Euronext Growth market in Paris (the “**Euronext Growth Market**”). The Euro MTF Market and the Euronext Growth Market are not regulated markets within the meaning of Directive 2014/65/EU, as amended.

This Supplement has been prepared in order to update the sections “Risk Factors”, “Description of the Issuer” and “Recent Events” in the Information Memorandum.

A copy of this Supplement will be published on the website of the Luxembourg Stock Exchange ([www.luxse.com](http://www.luxse.com)), on the Euronext Paris website ([www.euronext.fr](http://www.euronext.fr)) and on the Issuer’s website ([www.actionlogement.fr](http://www.actionlogement.fr)) and copies will be available, as soon as they are published, during normal business hours, on any day of the week (except Saturdays, Sundays and public holidays) at the Issuer’s registered office and at the designated offices of the Paying Agents.

### **DISCLAIMER**

This Information Memorandum, together with the Supplement, do not constitute a prospectus or a base prospectus within the meaning of the Regulation (EU) 2017/1129 of 14 June 2017.

The listing of the Notes on the Euro MTF Market and/or on the Euronext Growth Market does not give rise to a prospectus submitted for approval to the *Commission de Surveillance du Secteur Financier* (the “**CSSF**”) or to the *Autorité des Marchés Financier* (the “**AMF**”). Consequently, neither the CSSF nor the AMF assume any consequences relating to the issuance of the Notes listed on the Euro MTF Market and/or on the Euronext Growth Market.

Euronext Growth is a market operated by Euronext. Companies on Euronext Growth are not subject to the same rules as companies listed on a regulated market. Instead they are subject to a less extensive set of rules and regulations. The risk in investing on Euronext Growth may therefore be higher than investing in a company listed on a regulated market.

## **IMPORTANT NOTICES**

The Issuer accepts responsibility for the information contained in this Supplement and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplement is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

To the extent that there is any inconsistency between any statement in this Supplement and any other statement in, or incorporated by reference into, the Information Memorandum, the statement of this Supplement will prevail.

Save as disclosed in this Supplement, there is no significant new fact, material mistake or inaccuracy relating to the information included in the Information Memorandum since its publication.

## RISK FACTORS

The section “*Risk Factors*” appearing on pages 8 to 27 of the Information Memorandum is amended as follows:

1. The risk factor entitled “*1.1 Organisational Complexity of the group Action Logement*” appearing on pages 8 and 9 of the Information Memorandum is deleted in its entirety and replaced with the following:

### “1.1 Organisational Complexity of the group Action Logement

The Issuer is a finance company whose purpose is to provide financing in the housing sector. In particular, it finances the housing of employees, in order to promote employment and contribute to economic dynamics throughout France. As such, it ensures the collection of employers' participation in the construction effort (the “**PEEC**” for Participation des employeurs à l’effort de construction). It provides loans, financial support, and services to employees and businesses, as well as to social and intermediate lessors.

Created by law in 1953, the PEEC is a mandatory annual payment by companies (Article L.313 1 of the French Construction and Housing Code, the “**Code**”). It generalises a voluntary approach of certain employers, initiated since 1943, in favour of the housing of their employees. The collection of the PEEC was reorganised recently under Decree no. 2016-1408 of 20 October 2016 (the “**Decree**”). This reorganisation led to the creation of the group Action Logement in 2016, led by Social Partners. The group Action Logement is composed of an umbrella structure. Action Logement Group assumes an exclusively political role based on (i) a “services” division managed by the Issuer in charge of the single collection of PEEC funds and the promotion of financial support and services of Action Logement, and (ii) a “real estate” division, mainly Action Logement Immobilier, whose main duties involve the construction and management of social and intermediate rental housing.

The Issuer was created in 2016 and is the result of the merger of the 20 existing institutions called inter professional housing committees (“**CIL**” for *Comités Interprofessionnels du Logement*) which locally managed the collection of PEEC and its distribution, into a single collector, the Issuer. The PEEC resources received by the Issuer and their rules of use (the “**Uses**”) are determined by an agreement between the State and ALG for a period of five years. The last five year agreement was signed on 16 January 2018, for the period 2018-2022 (the “**Five Year Agreement**”). The Five Year Agreement was modified by an addendum signed on 25 April 2019 (the “**Voluntary Investment Plan**” or “**PIV**”), a second addendum signed on 2 December 2019 with a PIV for Overseas France (“**PIVOM**”) and a third addendum signed on 15 February 2021 aimed at consolidating the recovery following the health crisis (the “**Recovery Addendum**”). *The next agreement between the State and Action Logement Group is subject to negotiations.*

The Decree that created the group Action Logement entrusted Action Logement Group, the Issuer's sole shareholder, with the role of determining its strategy and concluding with the State the Five Year Agreement. The implementation of the Issuer's product strategy, decided at the level of the Action Logement Group, could, in certain cases, put a strain on the Issuer's operational capacities.

In addition, a number of the Issuer's decisions and actions require the prior authorisation of the Action Logement Group and its committees, in addition to the specific committees and governance bodies of the Issuer.

This organisational complexity could sometimes lead to long and contradictory decision making circuits.

As at the date this Information Memorandum was drawn up, the State and the Social Partners have begun talks to continue the modernisation of the Action Logement model as well as furthering relations between the State and the Action Logement Group.”

2. The risk factor entitled “1.2 Risks related to the State” appearing on page 9 of the Information Memorandum is deleted in its entirety and replaced with the following:

**“1.2 Risks related to the State**

The governance system of all the group Action Logement entities is joint. This joint system is characterised by equal representation within its management bodies between the representatives of the national inter-professional representative organisations of employers and the representatives of the national inter-professional representative organisations of employees (the "Social Partners"). The Issuer is however structurally dependent on the government which is represented by three government commissioners on its Board of Directors, who have a veto right over certain decisions provided for by its Articles of Association. The Five-Year Agreement defines between the State and the Issuer, the general guidelines negotiated with the Social Partners, and the mechanisms financed by the PEEC and implemented by the Issuer.

Negotiations between the Social Partners and the State could, in certain cases, create situations of tension in the management of the group Action Logement. Moreover, the Issuer is not able to anticipate the State's decisions, whose positions may change. ~~The Five Year Agreement may possibly not be renewed. It could be modified by amendment or renewed on less favourable terms.~~ The next agreement is subject to negotiations between the State and Action Logement Group which may lead to the conclusion of said agreement on less favourable terms or failure to reach a conclusion. In particular, the State could ~~also~~ force the Issuer and its consolidated subsidiaries to increase public policy subsidies to the detriment of other activities more in line with the objectives of the Social Partners.

Such measures, including resource uptake by the Government, could have a material impact on the financial position, prospects, business, and results of the Issuer and its consolidated subsidiaries.”

3. The risk factor entitled “5.1 The Issuer's business is subject to numerous regulations that could change in the future” appearing on page 15 of the Information Memorandum is deleted in its entirety and replaced with the following:

**“5.1 The Issuer's business is subject to numerous regulations that could change in the future**

As a finance company, the Issuer must comply with a number of regulations. Any changes in the rules applied to finance companies and their interpretation and application by the competent authorities could lead to additional costs. These could have a negative impact on its operating results or its prospects for development and growth.

The Issuer's business could be affected by any new legislation that directly influences or has indirect consequences on the Issuer. In particular, it could be prejudiced by the legal or tax regime applicable to social and intermediate housing in terms of renovation and construction. The Issuer benefits from a specific tax regime for its general interest activities, which are considered to be social housing activities. As such, it benefits from a partial exemption of the corporation tax.

Such changes could result in the Issuer losing some or all of its benefits, including equity and loan financing options. This could also lead to changes in its strategic orientation and impact its operating results, financial position, and future prospects.

Furthermore, the Issuer was given an accounting classification within the scope of public administrations, specifically within “Other Government Bodies” (“*Organismes Divers d'Administration Centrale*”, “ODAC”) by the National Institute of Statistics and Economic Studies (“*Institut National de la Statistique et des Études Économiques*”, “INSEE”) on 31 August 2022. The Ministry of Public Accounts may enter the Issuer on the list of organisations unable to acquire from a credit institution a loan with a term greater than 12 months, nor issue a debt security whose term exceeds this duration. The implementation of this prohibition, if adopted, would occur on expiry of a

period of one year following the issuance of the decree to that effect. The Issuer shall not rule out a legal challenge to the analysis used by INSEE considering its possible legal consequences.”

4. The risk factor entitled “6.3 The Issuer's ability to raise funds may be limited” appearing on pages 17 and 18 of the Information Memorandum is deleted in its entirety and replaced with the following:

**“6.3 The Issuer's ability to raise funds may be limited**

The Issuer is seeking to rely more on debt to finance its development. This method of financing may not be available under satisfactory conditions. In particular, this would be the case in the event of a crisis in capital or debt markets, of rising interest rates, of a deterioration of the Issuer's debt rating, of a change in its activity, financial structure, or ownership structure. Decisions of the French government could also have an effect on the perception of investors or lenders of the Issuer's solvency or the attractiveness of an investment in the Issuer's debt.

The Issuer’s ability to raise funds may be limited by its accounting classification by INSEE as a public administration if a decree issued by the Ministry of Public Accounts (“*ministre chargé des Comptes Publics*”) were to prevent the Issuer from taking out loans for longer than one year and issuing debt securities whose term exceeds one year.

Failure to raise the necessary capital could limit the Issuer's Uses. This could have a material adverse effect on its business, financial condition, operating results, and future prospects.”

## DESCRIPTION OF THE ISSUER

The section “*Description of the Issuer*” appearing on pages 50 to 102 of the Information Memorandum is amended as follows:

5. The paragraph entitled “1. General presentation of the Issuer” appearing on page 50 of the Information Memorandum is deleted in its entirety and replaced with the following:

### “1.GENERAL PRESENTATION OF THE ISSUER

The Issuer is a simplified joint stock company created in 2016 by decree<sup>1</sup>, whose articles of association were approved by decree<sup>2</sup> and whose sole shareholder is Action Logement Groupe (“ALG”).

The Issuer's purpose is to provide financing in the housing sector. In particular, it finances the housing of employees, in order to promote employment and contribute to economic dynamics throughout France. As such, it ensures the collection of Employers’ Participation in the Construction Effort (the “PEEC”). It provides loans, financial support, and services to employees and businesses, as well as to social and intermediate lessors.

The Issuer develops its activities with a commitment to social utility and sustainable development.

The Issuer is accredited in France as a finance company.

As part of its comprehensive publication of the National Accounts in 2021, on 31 August 2022, the National Institute of Statistics and Economic Studies (“*Institut National de la Statistique et des Études Économiques*”, “INSEE”) gave the Issuer an accounting classification within the scope of public administrations, specifically within “Other Government Bodies” (“*Organismes Divers d’Administration Centrale*”, “ODAC”). Under the terms of this classification for accounting purposes, the Ministry of Public Accounts (“*ministre chargé des Comptes Publics*”) could include the Issuer, on the basis of Article 12 of the Law of 28 December 2010 governing public finance programming for the years 2011 to 2014, on the list of organisations unable to acquire from a credit institution a loan with a term greater than 12 months, nor issue a debt security whose term exceeds this duration. The implementation of this prohibition, if adopted, would occur on expiry of a period of one year following the issuance of the decree issued to that effect.

6. The paragraph preceding the chart presenting the structure of the Action Logement group as at 31 December 2021 under the paragraph entitled “1.1 Presentation of the group Action Logement and the Issuer's place within the Group” appearing on page 51 of the Information Memorandum is deleted in its entirety and replaced with the following:

“The Five Year Agreement, the PIV and its implementation in the DROMs and the Recovery Addendum form an indivisible whole. Together, these contractual commitments and financial contributions represent a projected investment of between €25,071 million and €25,418 million over the period 2018-2022. In addition, the finance acts for 2020, ~~and~~ for 2021 and for 2023 enacted an exceptional contribution by the Issuer to public housing policies with the payment of €500 million in 2021 and €1 billion in 2022 to the French Housing Aid Fund (Fonds National des Aides au Logement or “FNAL”) and the payment in 2023 of €300 million to the National Fund of Construction Aid (“*Fonds National des Aides à la Pierre*”).

The next agreement between the State and ALG is subject to negotiations. In accordance with the provisions of Article L. 313-3 of the Code, in the absence of a new agreement concluded prior to 1 January 2023, the nature and regulations for the use of the Uses laid down by the Five-Year Agreement

<sup>1</sup> Decree no. 2016-1408 of 20 October 2016, Article 1 paragraph 3

<sup>2</sup> Decree no. 2016-1769 of 19 December 2016

shall continue to apply, as well as the amounts dedicated to each use or category of use as determined by the Five-Year Agreement in its original version for its final year of application. In this context, the assumed Uses for 2023, which were approved by the Issuer’s Board of Directors on 30 January 2023, were established by integrating a share of the reports on under-consumed amounts authorised by the Five-Year Agreement in compliance with the principles of fungibility and multi-annual programming provided by the latter.

7. The introductory paragraph and table on the Issuer’s resources under the sub-paragraph entitled “(b) Issuer's Resources and Uses” under the paragraph entitled “1.2 Presentation of the Issuer” appearing on page 54 of the Information Memorandum is deleted in its entirety and replaced with the following:

To carry out its activities, the Issuer notably has the resources from the annual collection of the PEEC, PEAEC, and PSEEC. It also obtains the loan repayments (hereinafter the "**Loan Repayments**") that it previously made to individuals and legal entities. The projected amounts of PEEC resources are provided for ~~in the Five-Year Agreement as amended~~ in the assumed Uses for 2023:

| <i>In M€</i>  | <b>Forecasts for 2023 <del>2022</del></b> |
|---|---|
| <b>PEEC collection net of collection reimbursements to businesses</b> | <b>1,699 <del>1,502</del></b>             |
| <b>Loan Repayments on PEEC funds</b>                                  | <b>1,321 <del>1,312</del></b>             |

8. A new paragraph as well as a new chart are inserted after the table entitled “Summary table of PEEC Uses for 2022 taking into account the provisions of the Recovery Addendum to the Five-Year Agreement and the PIV (supplemented by the 10 July 2021 addendum to the tripartite agreement between the State, the National Agency for Urban Renovation and the Action Logement Group), after consideration of the PIV commitments for 2019 to 2021” under the paragraph entitled “2. Detailed presentation of the Issuer’s business” appearing on pages 57 to 59 of the Information Memorandum:

“The PEEC Uses have been established for the 2023 financial year by means of the assumed Uses, validated by the Issuer’s Board of Directors on 30 January 2023, during the interval preceding the signing of the agreement subject to negotiations between the State and ALG.

**Summary table of assumed PEEC Uses for 2023, on the basis of amounts dedicated to each Use or Use category as determined by the Five-Year Agreement for its final year of application, integrating a share of the reports on under-consumed amounts authorised by the Five-Year Agreement in compliance with the principles of fungibility and multi-annual programming provided by the latter.**

| <i>In M€</i>                              | <b>Projected Uses<br/>(2023)</b> |
|---|----------------------------------|
| <b>Social housing financing incl. ACV</b> | <b>1,014</b>                     |
| Shareholders' equity                      | 255                              |
| Loans in the portfolio ACV and ONV        | 549                              |
| DROM-specific loans                       | 152                              |
| Grants including ACV & DROM               | 58                               |

|  |              |
|--|--------------|
| <b>Intermediate housing financing incl. ACV/AFL</b>    | <b>323</b>   |
| Shareholders' equity                                   | 70           |
| Loans  | 164          |
| ACV & AFL Grants                                       | 89           |
| <b>TOTAL Financing Operators</b>                       | <b>1,337</b> |
| <b>NPNRU</b>   | <b>674</b>   |
| Loans  | 350          |
| Subsidies  | 324          |
| <b>ANIL</b>  | <b>9</b>     |
| <b>FNAP</b>  | <b>300</b>   |
| <b>TOTAL Public Policy Funding</b>                     | <b>983</b>   |
| <b>Assistance to employees for ownership and works</b> | <b>500</b>   |
| Loans  | 500          |
| Subsidies  |              |
| <b>Mobility support</b>                                | <b>150</b>   |
| Subsidies  | 150          |
| <b>Secured rentals</b>                                 | <b>141</b>   |
| Loan and Guarantee advances                            | 30           |
| Rent guarantees  | 111          |
| <b>Employees in difficulty and social engineering</b>  | <b>45</b>    |
| Subsidies  | -            |
| Loans  | 45           |
| <b>TOTAL Financing to individuals</b>                  | <b>836</b>   |
| <b>Engineering and experimentation</b>                 | <b>10</b>    |
| <b>TOTAL Forecast Uses</b>                             | <b>3,166</b> |

9. The sub-paragraph entitled “(e) Financing policy of the Issuer and its consolidated subsidiaries” under the paragraph entitled “2.1 The collection of the PEEC: principal financial resource of the group



Action Logement” appearing on page 65 of the Information Memorandum is deleted in its entirety and replaced with the following:

“(e) Financing policy of the Issuer and its consolidated subsidiaries

In addition to the resources described above, the Issuer benefits from loans granted by the CDC.

On 12 November 2012, the Social Economy Union for Housing (UESL) entered into a letter of mutual commitment with the government, under which it committed to allow the UESL to access the resources of the CDC's Saving Fund Division. This was limited to €1 billion per year over the 2013-2015 period. These resources must contribute to the goal of producing 150,000 social housing units a year. This commitment resulted in two loan agreements with the CDC, all of which totalled €1,477 million. These loans were taken over by the Issuer when the group Action Logement was formed. The outstanding principal owed as at 31 December 2021 was €1,102 million. The initial term of these loans is 25 years. The variable interest rate is indexed to that of the Livret A passbook increased by 90 basis points. These loans are government guaranteed, in accordance with Article 79 of the amending Finance Law for 2013.

The Issuer ~~will also issue~~ ~~has issued~~ bonds on the financial markets in order to finance the Uses of the PIV. ~~This will be for a total amount over the period 2019-2022 estimated at €6,200 million.~~ The Issuer ~~thus~~ completed its first bond issue of €1,000 million in October 2019, followed by two issues of €1,000 million each in July and October 2021. In April 2022, a new issue of €1,250 million was completed. ~~Lastly, in September 2022, a new issue of €750 million was completed.~~”

10. The sub-paragraph entitled “(c) Public policy development prospects” under the paragraph entitled “2.5 Participation in public policies and national city housing programmes” appearing on page 84 of the Information Memorandum is deleted in its entirety and replaced with the following:

“(c) Public policy development prospects

In accordance with the Recovery Addendum, the Issuer will pay an additional contribution to the ANRU in the amount of €1.4 billion in subsidies, subject to (i) the sustainability of its economic and financial model, (ii) the commitment of the State and the social landlords to finance the NPNRU in the amount of €1 billion and €2 billion, respectively, in accordance with the tripartite agreement of 11 July 2018, and (iii) the condition that it does not lead to an imbalance between funding for public policies and those intended for individuals and legal entities.

The addendum of 10 July 2021 to the tripartite protocol between the ANRU, the State and ALG establishes the terms of use of this package.

The Issuer's loan package, which was not granted during the 2018-2022 period due to delays in the programmes, ~~will be~~ ~~has been~~ carried forward beyond 2022.

~~The draft finance bill for 2023 provides for payment by the Issuer of a contribution of €300 million for public policies to the National Fund of Construction Aid.~~”

11. A new paragraph is inserted after the fourth paragraph under the paragraph entitled “9. Significant contracts” appearing on pages 101 to 102 of the Information Memorandum:

~~“A tripartite agreement between the ANRU, the State and ALG for the period 2023-2027 could be negotiated following the conclusion of the new agreement between the State and ALG.”~~

## RECENT EVENTS

The section “Recent events” appearing on pages 103 to 108 of the Information Memorandum is supplemented by the ALG press release of 2 February 2023 reproduced below:

“Paris, 2 February 2023

### **Business results in 2022: a consistent position for Action Logement**

**Marked by a challenging context for all in the housing sector, 2022 allowed the joint working group to confirm its commitments to affordable and sustainable housing. All Action Logement organisations have endeavoured to maintain efforts to respond appropriately to employee needs, act in favour of the attractiveness of territories and further strengthen the employment-housing relationship. The priority for 2023 remains to facilitate employee housing and mobility to support the economic development of companies faced with growing recruitment issues. Furthermore, through the implementation of the Group’s CSR strategy and the Energy Savings and Decarbonation Plan, all of the Group’s subsidiaries are moving towards decarbonated production, for a large-scale qualitative improvement in its housing stock of 1 million units and to support its landlords in the transition toward intelligent and sustainable sobriety.**

In 2022, the Group’s subsidiaries remained actively involved in this transition despite the uncertain environment.

- They received 33,015 approvals for social housing, 2,070 of which for the ANRU and 740 in the French Overseas Territories (33% PLAI, 41% PLUS, 26% PLS) and 10,029 authorisations to construct intermediate housing;
- They delivered 28,157 new housing units (+8.9% compared with 2021) and began work on 30,346 new housing units;
- They stepped up rehabilitation efforts relating to **41,850 housing units** (+24.8% compared with 2021).

Action Logement Services confirmed its support for the affordable and sustainable housing sector by leveraging:

- **€3,200 million** in loans, subsidies and equity allocations for OLS for affordable housing (LI + PLAI + PLUS + PLS);
- **€104 million** in loans and subsidies for housing for young people and €185 million for the construction of collective structures;
- **€119 million** in loans for social home ownership thanks to financing from 37 interdependent land offices (OFS) for 8,537 housing units through 429 operations.

The Group is committed to supporting working people on their housing journey and issued, for an amount of €1.3 billion, 805,000 company employees with aid and services, of which:

- **One third** is support for professional mobility (+18% compared with 2021);
- **282,541** VISALE guarantees to enable employees on low incomes to access private rental stock;
- **105,241 rental allocations** primarily via the AL’in.fr platform.

Lastly, the Group continued its commitment to the attractiveness of territories by:

- Investing **€552 million in the revitalisation of city centres** as part of the national “Action Coeur de Ville” programme. In total, €1.4 billion was invested for a new offering of **25,220 housing units**;
- Providing social landlords with **€418 million in loans** to finance urban renewal operations and contributing **€540 million in subsidies** to the ANRU to finance urban renovation projects;
- Leveraging **€1.1 billion** since 2019 for housing in the overseas territories.

Despite the uncertainties associated with the absence of a Five-Year Agreement, the social partners have set ambitious targets, reflected in the resource uses for 2023. The PEEC uses are established in consideration of both the continuity of social utility policies deployed by Action Logement and the necessary allocation of resources for key activities. These uses will be carried out by Action Logement Services. And include:

- **Reinforcing the PEEC model** to respond to employee housing challenges and societal trends;
- Making Action Logement a driver for the **ecological transition** and major housing policy concerns by implementing its Energy Saving and Decarbonation Plan, presented last November.

**Comprehensive and illustrated information in the press pack”**